

EXPLANATION OF COMMISSION DETERMINATION TO CONDUCT FULL REVIEWS

in

Chrome-Plated Lug Nuts from China and Taiwan
Invs. Nos. 731-TA-474 and 475 (Review)

On November 4, 1999, the Commission determined that it should expedite these reviews pursuant to section 751(c)(3)(B) of the Tariff Act of 1930. The Commission found that the domestic interested party group response to its notice of institution (64 F.R. 41949, August 2, 1999) of the subject five-year reviews was adequate and that the respondent interested party group response was inadequate. Therefore, it voted to conduct expedited reviews.¹

In the course of considering the record in these reviews, the Commission has found that circumstances warrant conducting full reviews.² In the original investigations, the Commission defined the like product as both chrome-plated and stainless steel-capped lug nuts, and defined the domestic industry as U.S. producers of either chrome-plated or stainless steel-capped lug nuts. Upon further examination of the response of the sole domestic interested party that responded to the notice of institution, the Commission discovered that it was not clear whether the response took into account production of stainless steel-capped lug nuts. Thus, the Commission is left with questions concerning the share of domestic production of the like product accounted for by the responding party, as well as the status of several firms that produced stainless steel-capped lug nuts during the period of the Commission's original investigation. Further review of the record has raised questions regarding the definition of the domestic like product in light of the scopes of the antidumping duty orders as defined, and subsequently clarified, by the U.S. Department of Commerce.

Because of the ambiguity on these fundamental issues in the record, the Commission has concluded that it is appropriate to conduct full five-year reviews.

¹ Commissioners Koplan and Askey dissented and determined that circumstances warranted full reviews. Commissioner Okun was not a member of the Commission at the time of the initial determinations regarding adequacy and expedited/full reviews.

² Chairman Bragg does not concur with the decision of the Commission to conduct a full review in these investigations. While she agrees that the concerns outlined by the Commission in this statement may warrant further investigation and deliberation, she would prefer to reopen the adequacy phase of these review investigations to address such concerns, rather than immediately transforming this proceeding into what may ultimately prove to be an unfortunate expenditure of administrative resources and an undue burden upon the participating domestic interested party. In her view, the primary focus of the Commission's concerns is whether the domestic interested party is sufficiently representative of the domestic industry, a question fundamental to the Commission's adequacy determination. With regard to the separate concerns that apparently are to be revisited regarding like product issues, she is satisfied that those issues were adequately addressed in the adequacy phase, and does not agree that it is appropriate to reconsider those issues.